

YOUNG CONAWAY STARGATT & TAYLOR, LLP

BRUCE M. STARGATT
BEN T. CASTLE
SHELDON N. SANDLER
RICHARD A. LEVINE
RICHARD A. ZAPPA
FREDERICK W. IOBST
RICHARD H. MORSE
DAVID C. MCBRIDE
JOSEPH M. NICHOLSON
CRAIG A. KARSNITZ
BARRY M. WILLOUGHBY
JOSY W. INGERSOLL
ANTHONY G. FLYNN
JEROME K. GROSSMAN
EUGENE A. DIPRINZIO
JAMES L. PATTON, JR.
ROBERT L. THOMAS
WILLIAM D. JOHNSTON
TIMOTHY J. SNYDER
BRUCE L. SILVERSTEIN
WILLIAM W. BOWSER
LARRY J. TARABICOS
RICHARD A. DILIBERTO, JR.
MELANIE K. SHARP
CASSANDRA F. ROBERTS
RICHARD J.A. POPPER
TERESA A. CHEEK

NEILLI MULLEN WALSH
JANET Z. CHARLTON
ROBERT S. BRADY
JOEL A. WAITE
BRENT C. SHAFFER
DANIEL P. JOHNSON
CRAIG D. GREAR
TIMOTHY JAY HOUSEAL
MARTIN S. LESSNER
PAULINE K. MORGAN
C. BARR FLINN
NATALIE WOLF
LISA B. GOODMAN
JOHN W. SHAW
JAMES P. HUGHES, JR.
EDWIN J. HARRON
MICHAEL R. NESTOR
MAUREEN D. LUKE
ROLIN P. BISSELL
SCOTT A. HOLT
JOHN T. DORSEY
M. BLAKE CLEARY
CHRISTIAN DOUGLAS WRIGHT
DANIELLE GIBBS
JOHN J. PASCHETTO
NORMAN M. POWELL

THE BRANDYWINE BUILDING
1000 WEST STREET, 17TH FLOOR
WILMINGTON, DELAWARE 19801

P.O. Box 391
WILMINGTON, DELAWARE 19899-0391

(302) 571-6600
(800) 253-2234 (DE ONLY)
FAX: (302) 571-1253

110 WEST PINE STREET
P.O. Box 594
GEORGETOWN, DELAWARE 19947
(302) 856-3571
(800) 255-2234 (DE ONLY)
FAX: (302) 856-9338

WWW.YOUNGCONAWAY.COM

DIRECT DIAL: (302) 571-6705
DIRECT FAX: (302) 576-3280
jbarry@ycst.com

LISA A. ARMSTRONG
GREGORY J. BABCOCK
JOSEPH M. BARRY
SEAN M. BEACH
DONALD J. BOWMAN, JR.
TIMOTHY P. CAIRNS
KARA HAMMOND COYLE
MARGARET M. DI BIANCA
MARY F. DUGAN
ERIN EDWARDS
KENNETH J. ENOS
IAN S. FREDERICKS
JAMES J. GALLAGHER
SEAN T. GREECHER
STEPHANIE L. HANSEN
DAWN M. JONES
RICHARD S. JULIE
KAREN E. KELLER
JENNIFER M. KINKUS
EDWARD J. KOSMOWSKI
JOHN C. KUFFEL

SPECIAL COUNSEL
JOHN D. MC LAUGHLIN, JR.
ELENA C. NORMAN
KAREN L. PASCALE
PATRICIA A. WIDDOSS

KAREN E. LANTZ
TIMOTHY E. LENGKEEK
ANDREW A. LUNDGREN
MATTHEW B. LUNN
JOSEPH A. MALFITANO
ADRIA B. MARTINELLI
MICHAEL W. MCDERMOTT
MARIBETH L. MINELLA
EDMON L. MORTON
D. FON MUTTAMARA-WALKER
JENNIFER R. NOEL
ADAM W. POFF
SETH J. REIDENBERG
KRISTEN R. SALVATORE (PA ONLY)
MICHELE SHERRETTA
MONTÉ T. SQUIRE
MICHAEL P. STAFFORD
CHAD S.C. STOVER (SC ONLY)
JOHN E. TRACEY
MARGARET B. WHITEMAN
SHARON M. ZIEG

SENIOR COUNSEL
CURTIS J. CROWTHER

OF COUNSEL
STUART B. YOUNG
EDWARD B. MAXWELL, 2ND

May 24, 2006

VIA HAND DELIVERY

The Honorable Gregory M. Sleet
United States District Court
for the District of Delaware
J. Caleb Boggs Federal Building
844 King Street
Wilmington, DE 19801

Re: Daniel Ferguson v. Garden Ridge Corporation, et al., Case No. 06-CV-00213 (GMS) (D. Del. 2006).

Dear Judge Sleet:

Enclosed you will find a stipulated briefing schedule with respect to the above-referenced appeal (the "Appeal"). The parties respectfully request that Your Honor enter an order approving the stipulated briefing schedule at the Court's earliest convenience.

Mediation of the Appeal concluded late in the day on Friday, May 19, 2006. Pursuant to this Court's General Order dated July 23, 2004, since the Appeal did not result in a resolution, the appellant's opening brief would otherwise be due on or about June 7, 2006, and the appellees' answering brief would be due no later than June 22, 2006.

The undersigned attorney has been the primary attorney on this matter since the dispute first arose in April, 2005. The undersigned attorney conducted all discovery, drafted all briefing, argued this matter before the Bankruptcy Court and lead all settlement discussions, including the mediation, on behalf of the appellees. It is expected that the undersigned's role in the Appeal will be just as substantial.

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The Honorable Gregory M. Sleet

May 24, 2003

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The undersigned counsel to the appellees will be on a long-scheduled, two-week vacation beginning on June 2, 2006. Thus, absent approval of the proposed scheduling order, the appellant's opening brief will be filed while the appellees' lead counsel on this matter is on vacation and the appellees' answering brief would be due either while the undersigned is on vacation or, at the latest, within a few days of return. The appellees, with the consent of the appellant, believe that it would be a much more efficient and judicious use of resources to extend the briefing schedule as requested, rather than require an attorney other than the undersigned to "get up to speed" or, alternatively, to require the undersigned to cancel his long-planned vacation.

Finally, Your Honor, the issues raised in the Appeal are rather complicated, involving discrete bankruptcy issues such as substantive consolidation and a complex marriage of bankruptcy and Texas state law on the issue of setoff. As such, the parties believe that the stipulated scheduling order will permit a more complete and focused presentation of the issues involved for the benefit of the Court.

Based on the foregoing, the appellees' respectfully request that the Court approve the enclosed stipulated briefing schedule at the Court's earliest convenience. As always, counsel are available should Your Honor have any questions or comments concerning the foregoing.

Respectfully submitted,

Joseph M. Barry

Enclosure

cc: Clerk of the United States District Court (via hand delivery w/ enclosure)
Pauline K. Morgan, Esquire
William D. Sullivan, Esquire